



eVOQUA

WATER TECHNOLOGIES

Gabelli Water Conference

February 22, 2018

Ron Keating, Chief Executive Officer

Ben Stas, Chief Financial Officer

TRANSFORMING WATER. ENRICHING LIFE.™

Forward-Looking Statement Safe Harbor

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All of these forward-looking statements are based on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. These and other important factors may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements, or could affect our share price. Some of the factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include among other things, general global economic and business conditions; our ability to compete successfully in our markets; our ability to continue to develop or acquire new products, services and solutions and adapt our business to meet the demands of our customers, comply with changes to government regulations and achieve market acceptance with acceptable margins; our ability to implement our growth strategy, including acquisitions and our ability to identify suitable acquisition targets; our ability to operate or integrate any acquired businesses, assets or product lines profitably or otherwise successfully implement our growth strategy; delays in enactment or repeals of environmental laws and regulations; the potential for us to become subject to claims relating to handling, storage, release or disposal of hazardous materials; risks associated with product defects and unanticipated or improper use of our products; the potential for us to incur liabilities to customers as a result of warranty claims of failure to meet performance guarantees; our ability to meet our customers' safety standards or the potential for adverse publicity affecting our reputation as a result of incidents such as workplace accidents, mechanical failures, spills, uncontrolled discharges, damage to customer or third-party property or the transmission of contaminants or diseases; litigation, regulatory or enforcement actions and reputational risk as a result of the nature of our business or our participation in large-scale projects; seasonality of sales and weather conditions; risks related to government customers, including potential challenges to our government contracts or our eligibility to serve government customers; the potential for our contracts with federal, state and local governments to be terminated or adversely modified prior to completion; risks related to foreign, federal, state and local environmental, health and safety laws and regulations and the costs associated therewith; risks associated with international sales and operations, including our operations in China; our ability to adequately protect our intellectual property from third-party infringement; our increasing dependence on the continuous and reliable operation of our information technology systems; risks related to our substantial indebtedness; our need for a significant amount of cash, which depends on many factors beyond our control; AEA's influence over us; and other factors to be described in the "Risk Factors" section in our Annual Report on Form 10-K for the fiscal year ended September 30, 2017. All statements other than statements of historical fact included in the presentation are forward-looking statements including, but not limited to, expected financial outlook for fiscal 2018. Any forward-looking statement that we make in this presentation speaks only as of February 22, 2018. We undertake no obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements made herein, whether as a result of new information, future events or otherwise.

Use of Non-GAAP Financial Measures - This presentation contains "non-GAAP financial measures," which are adjusted financial measures that are not calculated and presented in accordance with generally accepted accounting principles in the United States, or "GAAP." These non-GAAP adjusted financial measures are provided as additional information for investors. We believe these non-GAAP adjusted financial measures, such as Adjusted EBITDA and free cash flow, are helpful to management and investors in highlighting trends in our operating results, because they exclude, among other things, certain results of decisions that are outside the control of management, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which we operate and capital investments. The presentation of this additional information is not meant to be considered in isolation or as a substitute for GAAP measures of net income (loss), or net cash provided by (used in) operating activities prepared in accordance with GAAP. For reconciliations of the non-GAAP adjusted financial measures used in this presentation to the nearest respective GAAP measures, see the Appendix to this presentation.

Leading provider of mission critical water treatment solutions



Transforming water. Enriching life.™

Core offerings

Systems



Services



Technologies



Key metrics

#1*

market position in North America

38,000

blue chip customers

100+

years legacy of quality and innovation

\$1.26 billion

LTM⁽²⁾ 12/31/2017 revenues

\$210 million

LTM⁽²⁾ 12/31/2017 Adjusted EBITDA⁽¹⁾

*Source: Amane Advisors, data as of 2016.

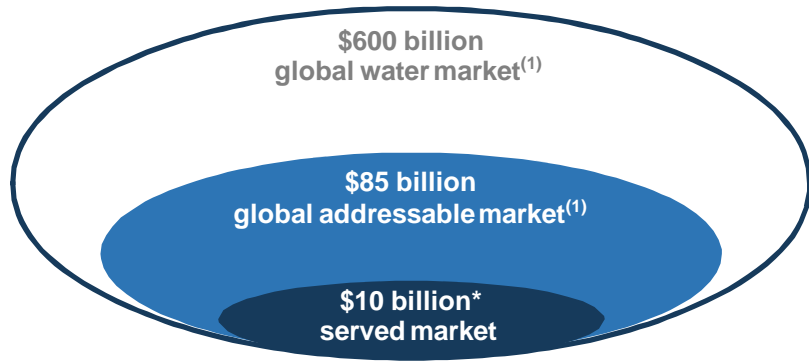
(1) For the definition of Adjusted EBITDA and a reconciliation to net income (loss), its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.

(2) Last twelve months calculated as the sum of FY 2017 and Q1'18 Adjusted EBITDA, less Q1'17 Adjusted EBITDA.

Evoqua provides high-value added service and technology to an attractive customer base

We serve \$10 billion of an \$85 billion market⁽¹⁾...

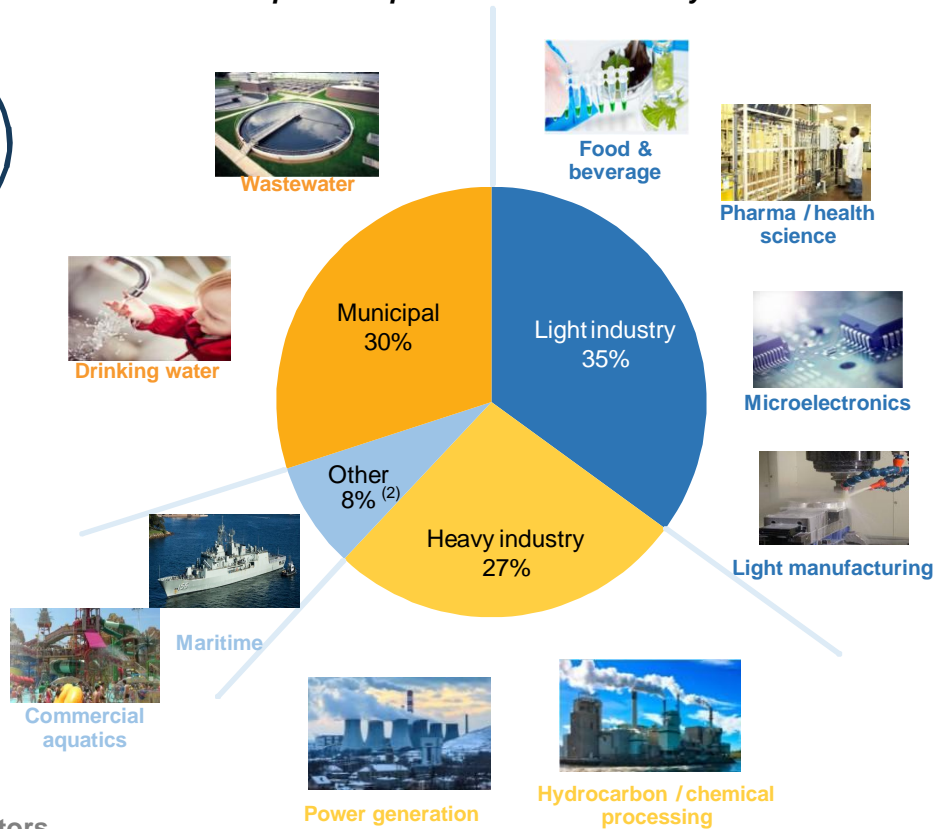
...across a diverse, growing set of end markets



<input checked="" type="checkbox"/> Water treatment	<input type="checkbox"/> Chemicals
<input checked="" type="checkbox"/> Technology & innovation	<input type="checkbox"/> Water transportation
<input checked="" type="checkbox"/> Service & support	<input type="checkbox"/> Meters / pumps / valves
<input checked="" type="checkbox"/> North America	<input type="checkbox"/> Design & construction EPC

Addressed market sectors Unaddressed markets sectors

We hold top market positions across our key end markets



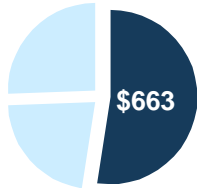
*Source: Amare Advisors, data as of 2016.

(1) Estimated as of 2016; (2) Other includes commercial aquatics, maritime and other / miscellaneous.

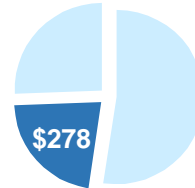
We serve our customers through three operating segments

(\$ in millions)

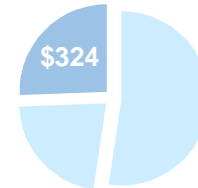
Industrial



Municipal



Products



LTM⁽³⁾ 12/31/2017 revenue

Services and solutions

- Full life cycle service and solutions for process and utility water
- Water as a service



- Full range of products for waste water and drinking water applications
- Broad services for odor and corrosion control



- Filtration / Disinfection
- Anode technology
- Electrodeionization
- Analyzers and controllers



Representative customers⁽¹⁾



LTM⁽³⁾ 12/31/2017 EBITDA margin⁽²⁾

24%

15%

23%

(1) Trademarks shown are those of their respective owners.

(2) EBITDA margin is defined as EBITDA as a percentage of revenue. For the definition of EBITDA and a reconciliation to operating profit, its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.

(3) Last twelve months calculated as the sum of FY 2017 and Q1'18 EBITDA, less Q1'17 EBITDA, excludes central functions costs.

Evoqua has an unmatched service and support network

4x as many local service branches as the next largest competitor...



Preventative maintenance
(Quarterly to monthly)

On-demand services
(As needed)



Operating services
(Weekly to daily)

Water One® services
(per gallon)



...putting us within 2 hours of 90% of our 25,000+ industrial customers

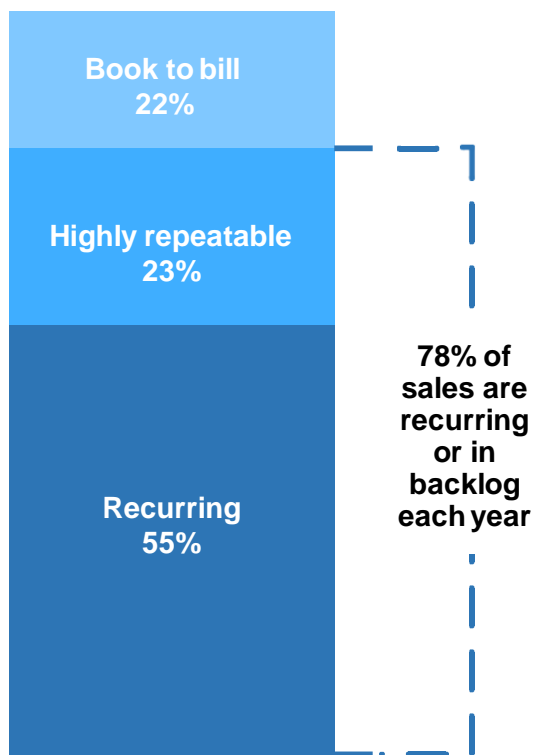
Sticky revenue with high retention

Highly visible revenue base

Attractive margins

Our business model delivers growing and highly recurring revenue

Illustrative revenue breakdown



- ✓ Over 25,000 service contracts with 99% retention
- ✓ Aftermarket portfolio supports full product life-cycle
- ✓ Large installed base drives service / aftermarket
 - Long tail of future revenue tied to capital sales
- ✓ Stable, recurring flow of business driven by deep backlog with high level of visibility
- ✓ Balance portfolio of products and services

M&A - Supplementing long-term organic growth

Continued profitable growth through R&D and M&A

- Develop and commercialize new technologies
- Established strategy to fill gaps through M&A
 - Products / technology, market verticals, geographic / regional

Completed acquisitions since April 2016



✓ Opportunistic approach to R&D and M&A

✓ Deep M&A pipeline

✓ **Pure Water Solutions**
Acquired January 31, 2018

The logo for PureWater, featuring the word "PureWater" in a blue, sans-serif font with a stylized blue wave graphic underneath.

Markets: Colorado and New Mexico
Leading Provider:

- ✓ High purity water equipment and systems
 - ü Service deionization and resin regeneration
 - ü Reverse Osmosis

Industries Served:

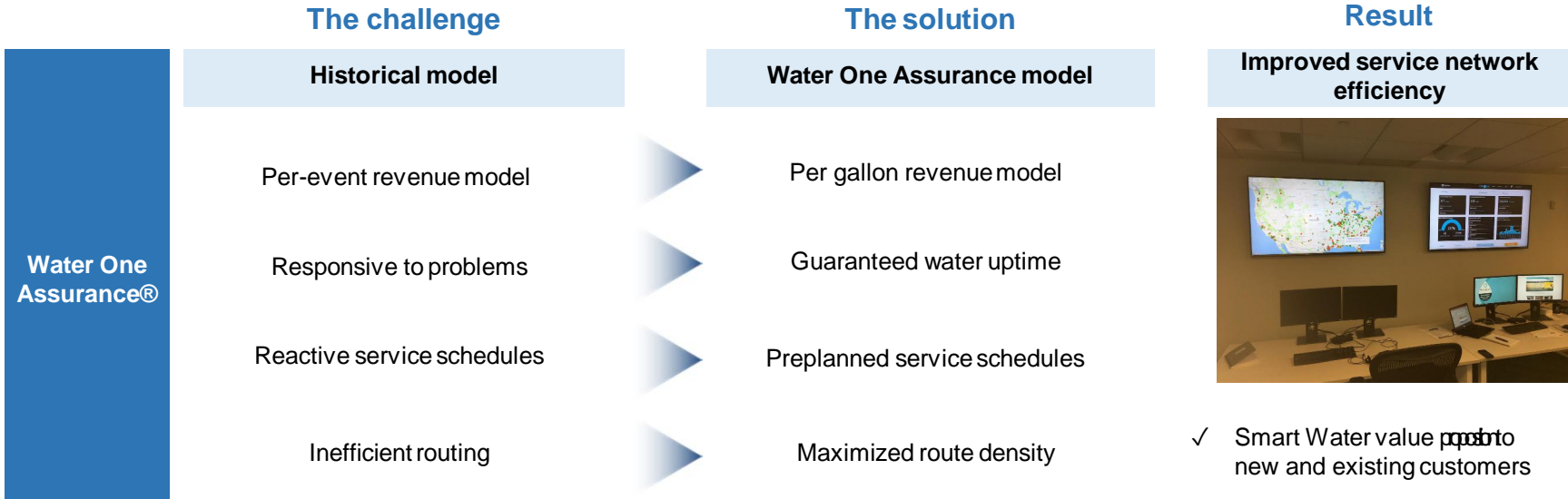
- ✓ Pharmaceutical and laboratory
- ✓ Medical
- ✓ Commercial and industrial
- ✓ Agriculture

Smart water digital technology launch

Snehal Desai - Chief Growth Officer

Joined Evoqua January 16, 2018

Snehal's responsibilities include smart water launch among other duties

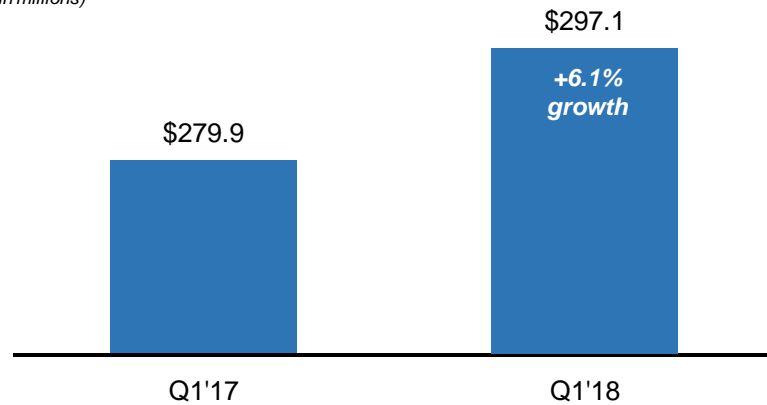


- Awarded a competitively bid "multi-year" SDI "price per gallon" service contract with a Gulf Coast-based hospital system
- Customer frustrated with high cost of tank exchange during busy periods
- Water One Assurance solution enabled customer to use their system at full capacity
- Water One Assurance was a competitive differentiator

First quarter 2018 performance highlights

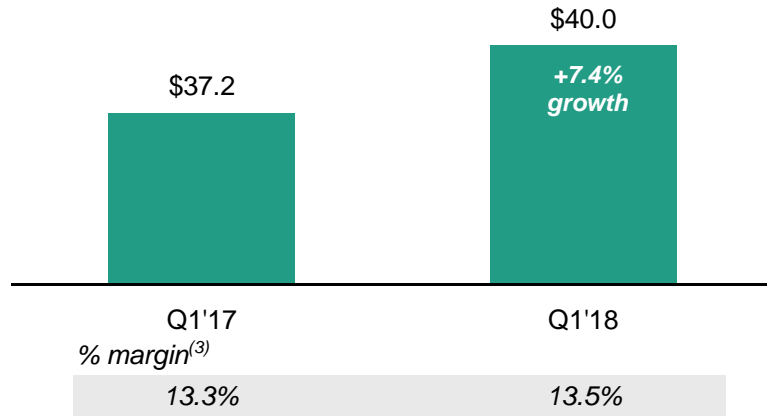
Revenue

(\$ in millions)



Adjusted EBITDA⁽¹⁾

(\$ in millions)



Highlights

First Quarter 2018

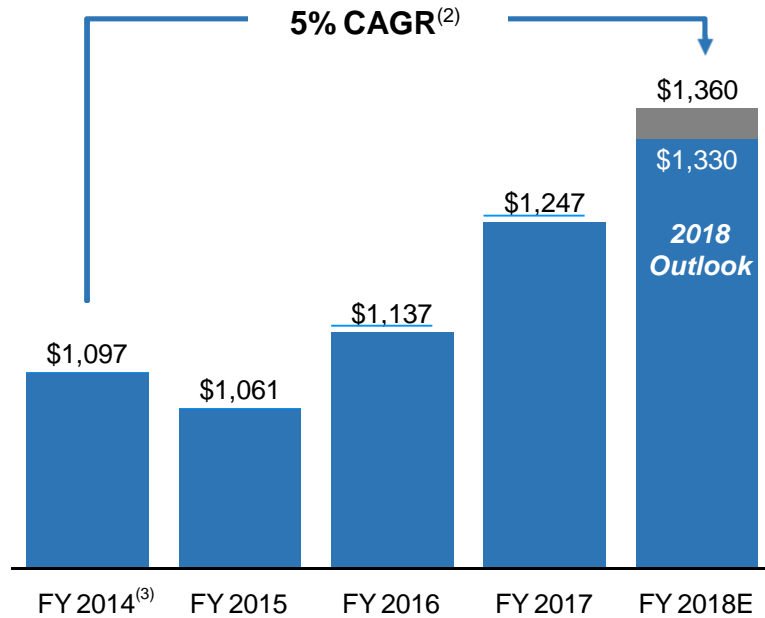
- Revenue growth of 6.1%
- 4.8% from tuck-in acquisitions
- 1.3% pro forma growth⁽²⁾
 - Driven by 4.2% growth in Industrial segment
- Prior year included large projects (timing) in Municipal and Products Segments
- Adjusted EBITDA growth of 7.4%
- Adjusted EBITDA margin of 13.5%
 - Accretive impact of acquisitions
 - Lower costs from cost improvement initiatives
 - Partly offset by large project related product mix and aftermarket timing impacts

(1) (1) For the definition of Adjusted EBITDA and a reconciliation to net income (loss), its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.
(2) (2) For the definition of pro forma growth and a reconciliation to revenue, its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.
(3) (3) Adjusted EBITDA margin % is defined as Adjusted EBITDA as a percentage of revenue.

Summary of historical financials

Revenue

(\$ in millions, FYE September 30)

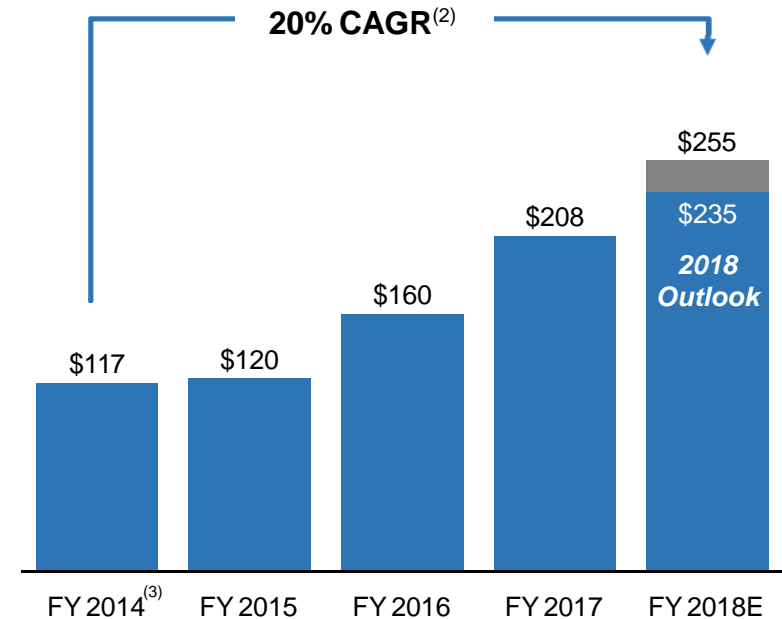


% growth

(3.3%) 7.2% 9.7% 7-9%

Adjusted EBITDA⁽¹⁾

(\$ in millions, FYE September 30)



% margin

10.7% 11.3% 14.1% 16.6% 17-19%

% growth

2.3% 33.5% 29.7% 13-23%

(1) For the definition of Adjusted EBITDA and a reconciliation to net income (loss), its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.

(2) Represents CAGR from FY 2014 to FY 2018 using the midpoint of the FY 2018 outlook range.

(3) Represents Successor Period 2014 (January 16, 2014 through September 30, 2014) and Predecessor Period 2014 (October 1, 2013 through January 15, 2014) combined.

2018 Full year outlook

	Full Year
Revenue	\$1.33 to \$1.36 billion
Adjusted EBITDA ⁽¹⁾	\$235 to \$255 million

Notes:

- Excludes unannounced acquisitions

(1) For the definition of Adjusted EBITDA and a reconciliation to net income (loss), its most directly comparable financial measure presented in accordance with GAAP, see the Appendix hereto.



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